

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554**

In the Matter of	)	
	)	
Application by BellSouth Corporation	)	CC Docket No. 01-277
for Authorization under Section 271	)	
of the Communications Act to	)	
Provide In-Region, InterLATA Service	)	
in the States of Georgia and Louisiana	)	

**Comments of  
Communications Workers of America**

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## **I. Introduction**

The Communications Workers of America (CWA) submits these comments in support of BellSouth's application for authority under Section 271 of the Communications Act to provide in-region, interLATA service in Georgia and Louisiana. After exhaustive reviews, the Georgia and Louisiana Public Service Commissions (PSCs) both unanimously determined that BellSouth has met the requirements of Section 271 of the Communications Act to open local markets to competition in their respective states. Further, BellSouth's performance monitoring plans which would require BellSouth annually to put at risk up to \$336 million in Georgia and an uncapped amount in Louisiana for non-compliance provide adequate safeguards against backsliding by BellSouth and create incentives for BellSouth to engage in continuous improvement of its wholesale services.

BellSouth's entry into the long-distance market in Georgia and Louisiana is in the public interest. First, it will increase competition in the long-distance market, particularly for residential consumers. Based on the experience of consumers after SBC entry into the long-distance market in Texas, Oklahoma and Kansas and after Verizon entry into the long-distance market in New York and Massachusetts, BellSouth's entry into long-distance in Georgia and Louisiana will lead to lower prices and new service offerings. Second, BellSouth's entry into the long-distance market in Georgia and Louisiana will promote the important goal of the

1996 Telecommunications Act to create good, high-wage jobs in the telecommunications industry.

CWA is in a unique position to comment on BellSouth's long-distance application in Georgia and Louisiana. CWA represents more than 17,800 employees at BellSouth in Georgia and Louisiana.<sup>1</sup> CWA also represents employees at AT&T, primarily in its long-distance operations, but also in some local service and cable operations. Because CWA represents employees in all segments of the telecommunications industry, CWA must base its position regarding an application by a Bell Operating Company (BOC) to provide long-distance services on the factual evidence regarding Section 271 compliance as well as on the public interest merits of the application.

Based on the evidence, it is clear that in both Georgia and Louisiana, BellSouth has satisfied the market opening requirements of Section 271 and that the public interest will be served by its entry into long-distance. Therefore, CWA supports Commission approval of BellSouth's application in this proceeding.

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<sup>1</sup> CWA Membership Report, August 2001. Nationally, CWA represents more than 740,000 employees who work in telecommunications and other public and private sector organizations. In total, CWA represents more than 56,000 BellSouth employees.

## II. BellSouth Has Met the Market Opening Requirements of Section 271

CWA concurs with the conclusions of both the Georgia and Louisiana Commissions that BellSouth has met the requirements of Section 271 of the Communications Act to open its local network to competition.<sup>2</sup> In Georgia, competitors serve at least 798,000 local telephone lines, representing at least 16.4 percent of the market. Nearly 700,000 of those lines are facilities-based. Competitors serve at least 27.5 percent of the business market and 8.7 percent of the residential market in Georgia.<sup>3</sup> In Louisiana, BellSouth estimates that competitors serve at least 227,500 access lines, representing more than 8.9 percent of Louisiana access lines.<sup>4</sup> This Commission's most recent competition report concluded that CLECs in Louisiana have an even higher market share, with 14 percent of the market, making Louisiana the third most competitive local exchange market in the nation.<sup>5</sup> CLECs in Louisiana serve 18.2 percent of the business market and 3.9 percent of the residential market.<sup>6</sup>

Further, the most recent performance data available indicates that BellSouth has met its Section 271 obligations in both Georgia and Louisiana. Comprehensive third-party OSS tests in Georgia

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<sup>2</sup> Louisiana Public Service Commission, *Consideration and Review of BellSouth Telecommunications, Inc.'s Preapplication Compliance with Section 271 of the Telecommunications Act of 1996*, Docket No. U-22252(E), Sept. 21, 2001; Georgia Public Service Commission, Staff Report and Opinion, *BellSouth Telecommunications, Inc.'s Entry into InterLATA Services Pursuant to Section 271 of the Telecommunications Act of 1996*, Docket No. 6863-U, Oct. 15, 1998. The Georgia PSC adopted the staff recommendation at its October 2, 2001 meeting.

<sup>3</sup> *Brief in Support of Application by BellSouth for Provision of In-Region, InterLATA Services in Georgia and Louisiana*, CC Docket No. 01-277, Oct. 2, 2001, 1 and 18-19 ("Application").

<sup>4</sup> *Id.*, 20.

<sup>5</sup> FCC, *Local Telephone Competition: Status as of December 31, 2000*, May 2001.

that the Louisiana PSC concluded apply in Louisiana as well because of the regional nature of the OSS systems, found that BellSouth met 100 percent of its collocation benchmarks from May through July; 100 percent of its hot cut conversion intervals in Louisiana and 99 percent in Georgia over the same period; 91 percent of the OSS benchmarks for at least two of the three months from May through July in both states; 89 percent of the resale standards in Georgia for two of those three months and 86 percent in Louisiana; and 98.2 percent of the independent tester KPMG’s evaluation criterion for pre-ordering, billing, maintenance and repair, capacity management, change management, and flow through.<sup>7</sup> As the Commission noted in approving Bell Atlantic’s entry into the long-distance market in New York, parity with retail performance, rather than perfection, meets the checklist requirement of non-discriminatory access.<sup>8</sup> While CWA supports regulatory efforts to ensure that BellSouth provides high-quality service in both its retail and wholesale operations, in the context of this Section 271 application the record is clear that BellSouth is providing service at or above parity with its retail operations, and therefore is in compliance with each and every checklist item.

BellSouth manages and operates its OSS centrally out of six Centers supporting CLECs, all of which operate on a nine-state regional basis. Four of these centers are totally dedicated to CLECs. The Local Carrier Service Center (LCSC) handles the pre-ordering and ordering

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<sup>6</sup> *Application*, 20.

<sup>7</sup> *Application*, 4.

<sup>8</sup> Memorandum Opinion and Order, *Application by Bell Atlantic-New York for Authorization Under Section 271 of the Communications Act to Provide In-Region InterLATA Services in the State of New York*, CC Docket No. 99-295, FCC 99-404, Dec. 22, 1999 (rel), 176 (“*New York Order*”).

functions for resale, UNE and complex services. The Customer Wholesale Interconnection Network Service Center (CWINS) handles provisioning for designed or coordinated resale and UNE products and also serves as a maintenance center for all resale and UNE products. The Local Interconnection Service Center (LISC) supports CLEC interconnection trunking. The Complex Resale Support Group (CFSG) provides service inquiry processing support.<sup>9</sup>

CWA represents the service representatives, maintenance administrators, and electronic technicians who work in these centers. Employees working in these centers provide pre-ordering, ordering, provisioning, maintenance, and billing services to CLECs on a nine-state regional basis. CWA-represented frontline employees working in these centers confirm that they use the same Methods and Procedures, access the same databases, and receive the same training in serving customers across the nine-state region. These CWA-represented frontline employees also report that they use the same on-line systems as are used by BellSouth retail service representatives (with modifications specially-designed for use in serving CLECs).<sup>10</sup>

As of August 31, 2001, there were 1,044 employees in the Local Carrier Service Centers; 1,045 employees in the Customer Wholesale Interconnection Network Service Center; 134 employees in the Local Interconnection Service Center; and 38 employees in the Complex Resale Support

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<sup>9</sup> Affidavit of K.L. Ainsworth, 2-3 (“Ainsworth Affidavit”).

<sup>10</sup> CWA Interviews with CWA-represented services representatives, maintenance administrators, and electronic technicians working in the Atlanta and Birmingham LCSC and CWINS centers. The interviews were conducted Oct. 18, 2001 (“CWA Interviews”).

Group.<sup>11</sup> As already noted, the occupational employees in these centers are represented by CWA. Staffing levels of front-line personnel working in these wholesale centers customers have increased to meet growing service demand.<sup>12</sup>

BellSouth hiring and training practices in these wholesale centers are at parity with those in its retail operations. The service representatives, maintenance administrators, and electronic technicians in the wholesale centers serving CLECs are highly skilled, career BellSouth employees. Some are BellSouth employees who transferred into the wholesale centers after many years service with BellSouth; others are newly-hired employees. Both new hires and transfer employees receive training in the methods and procedures and software systems utilized to serve CLEC customers. Initial training for maintenance administrators and electronic technicians is 13 weeks, while initial training for service representatives is 8-12 weeks. This is similar to the training provided to BellSouth employees in these job titles serving retail customers.<sup>13</sup>

### **III. BellSouth Entry into Long-Distance Is in the Public Interest**

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<sup>11</sup> Ainsworth Affidavit, 4-13.

<sup>12</sup> CWA Interviews.

<sup>13</sup> CWA Interviews. CWA-represented employees continue to see areas for improvement in training, and are working with BellSouth to see that their suggestions are implemented.

BellSouth has met the requirements of the 1996 Act to open its local markets in Georgia and Louisiana to competition. The Commission need not fear backsliding by BellSouth. Both the Louisiana and Georgia PSCs have adopted and implemented comprehensive performance assurance plans that require BellSouth annually to put at risk \$336 million in Georgia and an uncapped liability in Louisiana (requiring an expedited hearing beyond a procedural cap of \$59 million) if BellSouth fails to meet the rigorous performance standards.<sup>14</sup> These self-executing enforcement mechanisms, or “SEEMS,” adhere to the guidelines established by this Commission in the *New York* Order.<sup>15</sup> Moreover, the financial liabilities for non-compliance, as a percentage of net revenue, exceed the exposure that this Commission found adequate in New York and Texas.<sup>16</sup>

BellSouth’s entry into long-distance in Georgia and Louisiana is clearly in the public interest. The experience in Texas, Kansas and Oklahoma, New York and Massachusetts demonstrates the benefits to consumers, particularly for residential customers, that results from BOC entry into the concentrated long-distance market. Twelve months after SBC’s entry in Texas and four months after entry in Oklahoma and Kansas, SBC had 2.8 million long-distance lines in service.<sup>17</sup> Verizon has signed up approximately 1.9 million long-distance customers fifteen months after long-distance entry in New York and more than one-quarter million customers just two months

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<sup>14</sup> *Application*, 159.

<sup>15</sup> *New York Order*, 429-443.

<sup>16</sup> *Id.*, 436 and n.132; Memorandum Opinion and Order, *Joint Application by SBC Communications Inc., et al., Pursuant to Section 271 of the Telecommunications Act of 1996 to Provide In-Region, InterLATA Services in Texas*, CC Docket No. 00-65, June 30, 2000 (rel), 422 and n.1235.



after long-distance entry in Massachusetts.<sup>17</sup> SBC's long-distance service plans in Texas, Kansas, and Oklahoma offer customers a low per-minute charge with no monthly minimum or monthly recurring charge, all on a single bill. In response to SBC's and Verizon's long-distance rate plans and all-inclusive bill, AT&T, MCI WorldCom, and Sprint began to offer discounts on their long-distance plans to customers who signed up for local service and reduced intrastate rates. The Commission's own Local Telephone Competition Report confirms that states with long-distance approval show the greatest competitive entry into the local market.<sup>19</sup>

In addition, BellSouth's entry into long-distance is in the public interest because it will stimulate the growth of high-skilled, good jobs in Georgia and Louisiana. As already noted, BellSouth's compliance with the 14-point market-opening checklist has resulted in the growth of high-skilled, good jobs in BellSouth's regional wholesale centers serving CLECs. BellSouth's entry into the long-distance market in Georgia and Louisiana will add many more high-wage, high-skilled customer service and operator service jobs in local communities in the nine-state region. Unlike some of the long-distance carriers, BellSouth plans to provide its combined long-distance and local service customers with true one-stop customer service provided by a customer service

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<sup>17</sup> SBC, *Investor Briefing*, July 25, 2001.

<sup>18</sup> Verizon, *Verizon Communications Second Quarter Earnings Highlighted by Strong Long-Distance and Wireless Sales*, July 31, 2001.

<sup>19</sup>FCC, *Federal Communications Commission Releases Latest Data on Local Telephone Competition*, May 21, 2001. Competitors served 20% of local lines in NY and 12% of local lines in Texas compared to 8.5% nationwide.

representative trained and equipped with the systems necessary to handle inquiries regarding either service.<sup>20</sup>

#### **IV. Conclusion**

The Commission should approve BellSouth's application to provide in-region, inter-LATA service in Georgia and Louisiana. BellSouth has demonstrated that it has met Section 271's market-opening requirements in both states. BellSouth's entry into long-distance in these markets will benefit consumers with greater choice, lower prices, and new service offerings. Finally, BellSouth's entry into long-distance in these states will stimulate the growth of high-skilled, good jobs.

Respectfully Submitted,

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George Kohl  
Assistant to the President/Director of Research

Dated: Oct. 19, 2001

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<sup>20</sup> CWA, *Bungling on Bundling at AT&T*, 2001 (available at [http://www.attinsider.com/bungling\\_bundling.asp](http://www.attinsider.com/bungling_bundling.asp)).

CERTIFICATE OF SERVICE

This is to certify that I have duly served these comments upon these parties by depositing copies of same in the United States mail, addressed as follows:

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